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BEFORE THE ARIZONA CORPORATION COMMISSION Arizona Comporation

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COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER

JEFF HATCH-MILLER KRISTIN K. MAYES GARY PIERCE

BY THE COMMISSION:

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IN THE MATTER OF THE JOINT APPLICATION OF WATER UTILITY OF GREATER BUCKEYE INC., AND VALENCIA WATER COMPANY INC., TO TRANSFER THE ASSETS AND THE CERTIFICATE OF CONVENIENCE AND NECESSITY OF WATER UTILITY OF GREATER BUCKEYE INC., TO VALENCIA WATER COMPANY INC.

DOCKET NO. W-01212A-06-0666 DOCKET NO. W-02451A-06-0666

PROCEDURAL ORDER

On October 16, 2006, Water Utility of Greater Buckeye, Inc. ("Buckeye") and Valencia

Water Company, Inc. ("Valencia") (collectively "Companies"), filed with the Arizona Corporation Commission ("Commission") a joint application for approval to transfer Buckeye's assets and its

Certificate of Convenience and Necessity ("CC&N") to Valencia.

On November 14, 2006, the Commission's Utilities Division ("Staff") filed an Insufficiency Letter in this matter.

On January 16, 2007, the Companies filed their response to Staff's Insufficiency Letter.

On February 13, 2007, Staff filed its second Insufficiency Letter.

On April 13, 2007, the Companies filed their response to Staff's second Insufficiency Letter.

On April 26, 2007, the Companies filed a Notice of Filing Responses in response to Staff's inquiry of April 20, 2007.

On May 8, 2007, Staff filed a third Insufficiency Letter.

On June 22 and 26, 2007, the Companies filed responses to Staff's third Insufficiency Letter.

On July 20, 2007, Staff filed a Sufficiency Letter indicating that the Companies have met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C").

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern

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the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the hearing in the above-captioned matter shall be scheduled to commence on October 10, 2007, at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Arizona 85007.

IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **September 21, 2007**.

IT IS FURTHER ORDERED that objections to any motions to intervene must be filed no later than October 5, 2007.

IT IS FURTHER ORDERED that Buckeye and Valencia shall provide public notice of the hearing in this matter, in the following form and style, with the heading no less than 10 point bold type and the body no less than 10 point regular type:

PUBLIC NOTICE OF HEARING ON THE JOINT APPLICATION OF WATER UTILITY OF GREATER BUCKEYE INC., AND VALENCIA WATER COMPANY INC., TO TRANSFER THE ASSETS AND THE CERTIFICATE OF CONVENIENCE AND NECESSITY OF WATER UTILITY OF GREATER BUCKEYE INC., TO VALENCIA WATER COMPANY DOCKET NUMBER W-02121A-06-0666 ET AL.

On October 16, 2006, Water Utility of Greater Buckeye, Inc. ("Buckeye") and Valencia Water Company Inc. ("Valencia") (collectively "Companies"), filed with the Arizona Corporation Commission ("Commission") a joint application to transfer Buckeye's assets and its Certificate of Convenience and Necessity ("CC&N") to Valencia. The Commission's Utilities Division ("Staff") has not yet made a recommendation regarding the Companies' application, and the Commission is not bound by the proposals made by the Company, Staff, or any intervenors. The Commission will issue a decision regarding the Companies' application following consideration of testimony and evidence presented at an evidentiary hearing. Copies of the application are available at the Companies' offices [insert address] and the Commission's offices at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on this matter beginning October 10, 2007, at 10:00 a.m., at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public submitted comments may be via email (visit http://www.azcc.gov/utility/cons/index.htm for instructions), or by mailing a letter referencing Docket Number W-02121A-06-0666 ET AL to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

- 1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom documents are to be served in your place, if desired.
- 2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
- 3. A statement certifying that a copy of your motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that <u>all motions to intervene must be filed on or before **September 21, 2007**. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. <u>However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.</u></u>

If you have any questions about this application, you may contact the Company at [insert telephone number]. If you wish to file written comments on the application or want further information on intervention you may contact the Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Linda Hogan, E-mail Lhogan@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Buckeye and Valencia shall mail to each property owner or property owner representative in the affected areas a copy of the above notice and shall cause the above notice to be published in a newspaper of general circulation in its service territory, with publication and mailing to be completed no later than August 31, 2007.

IT IS FURTHER ORDERED that Buckeye and Valencia shall file certification of mailing and publication as soon as practicable after the mailing/publication has been completed, but not later

than September 14, 2007.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and publication of same, notwithstanding the failure of an individual property owner to read or receive the notice.

IT IS FURTHER ORDERED that Staff shall file a Staff Report on or before September 7, 2007.

IT IS FURTHER ORDERED that any objections to the Staff Report shall be filed on or before September 21, 2007.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding as the matter is now set for public hearing.

IT IS FURTHER ORDERED that all parties must comply with Rule 33(c) and 38(a) of the Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the Rules of Arizona Supreme Court). Representation before the Commission includes the obligation to appear at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion, unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 300 day of August, 2007.

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/ETTE B. KINSE ADMINISTRATIVE LAW JUDGE

| 1 | Copies of the foregoing mailed/delivered this 3/4 day of August, 2007 to: |
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| 2 | |
| 3 | Timothy J. Sabo ROSHKA, DEWULF & PATTEN |
| 4 | One Arizona Center 400 E. Van Buren St., Suite 800 |
| 5 | Phoenix, AZ 85004 Attorneys for Water Utility of Greater |
| 6 | Buckeye, Inc. and Valencia Water Company, Inc. |
| 7 | Christopher Kempley, Chief Counsel |
| 8 | Legal Division Arizona Corporation Commission |
| 9 | 1200 West Washington Street Phoenix, Arizona 85007 |
| 10 | Ernest G. Johnson, Director |
| 11 | Utilities Division Arizona Corporation Commission |
| 12 | 1200 West Washington Phoenix, Arizona 85007 |
| 13 | ARIZONA REPORTING SERVICE, INC. |
| 14 | 2200 N. Central Ave., Suite 502 Phoenix, AZ 85004-1481 |
| 15 | $\langle O \rho \rangle$ |
| 16 | By: Debra Broyles |
| 17 | Secretary to Yvette B. Kinsey |
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